



General Assembly

January Session, 2007

Raised Bill No. 7051

LCO No. 3750

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING PREMIUM RATES FOR SPECIAL HEALTH CARE PLANS ISSUED BY THE HEALTH REINSURANCE ASSOCIATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-570 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007*):

3 Notwithstanding the provisions of sections 38a-505, 38a-546 and
4 38a-551 to 38a-559, inclusive, the Health Reinsurance Association may
5 issue special health care plans to small employers with ten or fewer
6 eligible employees, the majority of whom are low-income eligible
7 employees. The following provisions shall apply to such special health
8 care plans:

9 (1) Premium rates shall be promulgated by the board of directors of
10 the Health Reinsurance Association based on recommendations of its
11 actuarial committee. In developing recommendations for premium
12 rates, the actuarial committee shall consider, in addition to other
13 pertinent matters, the premiums that are or would be charged for the
14 same or similar insurance by other insurers. Except as otherwise

15 provided in sections 38a-564 to 38a-572, inclusive, in establishing
 16 premium rates the board of directors of the Health Reinsurance
 17 Association may consider any relevant factors impacting premium,
 18 claims and expenses, including characteristics of small employers and
 19 insureds, that may be considered by any insurer in establishing health
 20 insurance premium rates. The premium rates established shall be
 21 subject to the provisions of section 38a-567, except subparagraph (A)
 22 (v) of subdivision (5) of said section. The anticipated loss ratio shall not
 23 be less than [eighty] ninety per cent of the premium. In establishing
 24 premium rates it shall be the goal of the board of directors of the
 25 Health Reinsurance Association to administer special health care plans
 26 issued to small employers without gain or loss; and

27 (2) The Health Reinsurance Association may reinsure coverage of
 28 special health care plans with the pool.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	38a-570

Statement of Purpose:

To provide that the premium rates for the special health care plans issued by the Health Reinsurance Association shall be exempt from the provisions of subdivision (5)(A)(v) of section 38a-567 of the general statutes, concerning group size, and to increase the minimum anticipated loss ratio from eighty to ninety per cent of the premium.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]